GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:272
ANSWERED ON:07.08.2015
Withdrawal of Pre-2005 Currency Notes
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has decided to withdraw from circulation all pre-2005 currency notes; so as to improve security feature;

(b) if so, the details thereof and the reasons therefor;

(c) whether any deadline has been fixed for the public to exchange their pre-2005 bank notes and if so, the details thereof;

(d) the mechanism put in place by RBI to monitor and review the process of withdrawal of pre-2005 bank notes; and

(e) the steps taken/being taken by the Government to detect fake currency notes and check its circulation?

Answer

Statement referred to in reply to Parts (a) to (e) of the Lok Sabha Starred Question No. 272 to be answered on 7.8.2015 regarding 'Withdrawal Of Pre-2005 Currency Notes

(a) to (d): Reserve Bank of India (RBI) decided to withdraw from circulation banknotes of all denominations issued prior to 2005 with the objective of removing banknotes having fewer security features compared to the banknotes issued after 2005. RBI, in its Press Release issued on January 22, 2014, advised members of public that all banknotes issued prior to 2005 will be completely withdrawn from circulation after March 31, 2014 and that from April 1, 2014 they should approach banks for exchanging these notes, which will provide exchange facility for their customers as well as non-customers. Banks were also advised to facilitate the exchange of these notes for full value and without causing any inconvenience to the public. Based on periodic review of the number of notes withdrawn, the scheme has been extended from time to time. The last such extension has been given on June 25, 2015 up to December 31, 2015.
(e) : The Ministry of Finance, Ministry of Home Affairs, Security and Intelligence Agencies of the Centre and States and RBI are working in tandem to thwart the illegal activities related to Fake Indian Currency Notes (FICN). An FICN Coordination Group (FCORD) has been formed in the Ministry of Home Affairs to share the intelligence/information amongst different security agencies of States/Centre to counter the menace of circulation of FICN in the country. RBI has also initiated several measures for generating public awareness, conducting training programmes for employees/officers of banks and streamlining the process of reporting and detection of counterfeit notes.